

| Project Title | 2012 Agency Priority Ranking | Agency Project Request for State Funds (\$ by Session) | | | | Governor's Recommendations | Governor's Planning Estimate | |
|--|---------------------------------------|---|----------|----------|-----------|-------------------------------|------------------------------------|----------|
| | | 2012 | 2014 | 2016 | Total | | 2012 | 2014 |
| HEAPR | 1 | \$90,000 | \$90,000 | \$90,000 | \$270,000 | \$20,000 | \$20,000 | \$20,000 |
| Combined Heat and Power Plant | 2 | 54,000 | 0 | 0 | 54,000 | 54,000 | 0 | 0 |
| Itasca Facilities Improvements | 3 | 4,060 | 0 | 0 | 4,060 | 4,060 | 0 | 0 |
| Eddy Hall and Space Optimization | 4 | 14,000 | 0 | 0 | 14,000 | 0 | 0 | 0 |
| American Indian Learning Resource Center | 5 | 7,350 | 0 | 0 | 7,350 | 0 | 0 | 0 |
| Total Project Requests | | \$169,410 | \$90,000 | \$90,000 | \$349,410 | \$78,060 | \$20,000 | \$20,000 |

Agency Profile At A Glance

The University of Minnesota is governed by a 12-member, legislatively appointed Board of Regents.

Statewide Presence:

- Five campuses (Crookston, Duluth, Morris, Rochester, Twin Cities)
- Six research and outreach centers (Crookston, Grand Rapids, Lamberton, Morris, Rosemount, Waseca)
- Two biological stations (Lake Itasca, Cedar Creek)
- One forestry center (Cloquet)
- 17 regional University of Minnesota Extension Offices

Annual Budget:

\$3.0 billion (FY 2010 budgeted revenues)

Student Enrollment (Fall 2008):

| | |
|--------------|----------------------|
| 40,546 | Undergraduate |
| 14,944 | Graduate |
| 3,963 | First Professional |
| <u>6,859</u> | Non-Degree |
| 66,312 | TOTAL / all campuses |

Faculty and Staff (Fall 2008):

19,718 Faculty and Staff
14,393 Student Workers (includes fellows, post-docs, and professionals in training)

Agency Purpose

The University of Minnesota is both the state's land-grant university, with a strong tradition of education and public engagement, and a major research institution, with faculty of national and international reputation. Its statutory mission is to "offer undergraduate, graduate, and professional instruction through the doctoral degree, and ... be the primary state supported academic agency for research and extension services." (M.S. 135A.052)

The University of Minnesota, founded in 1851, has five campuses (Twin Cities, Duluth, Morris, Crookston, Rochester), six research and outreach centers, two biological stations, one forestry station and regional extension offices throughout the state.

The University is a multi-campus university. The chief operating officers for the Twin Cities campus also serve as the senior officers for the entire University.

The Twin Cities campus is one of the two largest campuses in the country in terms of enrollment (50,883 students) and also one of the most comprehensive. It is the state's major research campus and with more than \$600 million annually in research grant awards, it accounts for more than 98 percent of all research expenditures at Minnesota's higher education institutions, both public and private.

The University of Minnesota, Duluth (11,184 students) is a comprehensive regional university that offers instruction through the master's degree. The campus contributes to meeting the cultural needs of the region and serves as a focal point for the economic development of the region through community outreach and through an emphasis on the sea-grant and land-grant components of its program.

The University of Minnesota, Morris (1,686 students) is one of the top public liberal arts colleges in the nation, providing an innovative and high quality residential education to its undergraduates that emphasizes faculty-student collaborative research, study abroad and service learning.

The University of Minnesota, Crookston (2,346 students) provides applied, career-oriented education through baccalaureate programs that combine theory, practice and experimentation in a technologically rich environment.

The University of Minnesota, Rochester, established in 2006, is focused on meeting the educational needs of the Rochester area. With more than 35 programs available, UMR provides graduate and undergraduate degrees in health sciences, biotechnology, business, education, graphic design, public health, and social work.

Core Functions

The University of Minnesota's three mission activities are:

- teaching and learning;
- research and discovery; and
- outreach and public service.

Teaching and Learning: The University of Minnesota provides instruction through a broad range of educational programs that prepare undergraduate, graduate, and professional students for productive roles in society.

Research and Discovery: The University of Minnesota generates and preserves knowledge, understanding, and creativity by conducting research, scholarship, and artistic activity.

Outreach and Public Service: The University of Minnesota exchanges its knowledge and resources with society by making them accessible to the citizens of the state.

Operations

The University of Minnesota conducts its mission activities from its campuses and other facilities throughout the state. Each year, the University of Minnesota:

- provides instruction for more than 65,000 students;
- graduates nearly 12,500 students, 34% with graduate or first professional degrees;
- conducts more than \$500 million in research sponsored by the National Institutes of Health, the National Science Foundation, many other federal agencies, and numerous private companies and foundations; and
- reaches out to more than one million Minnesotans through various outreach and public service activities.

Budget

The University of Minnesota's FY 2010 budgeted revenues of \$3.0 billion are primarily generated by five main sources of revenue:

| | |
|---|-------------------------|
| • State Appropriations | \$649.2 million / 21.9% |
| • Tuition and Fees | \$678.7 million / 22.9% |
| • Sponsored Grants & Contracts | \$518.2 million / 17.5% |
| • Sales and Other Revenue | \$762.7 million / 25.7% |
| • Gift, Endowment Earnings and Other Restricted Sources | \$360.0 million / 12.1% |

The University of Minnesota's total state appropriation includes both a general unrestricted appropriation that supports the University's core operations and appropriations that are restricted to special purposes (e.g., University of Minnesota Extension Service).

Contact

University of Minnesota
University Budget and Finance
336A Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455

Web Home Page: www.umn.edu

Office of the Vice President, CFO, and Treasurer
Richard Pfitzenreuter
Phone: (612) 625-4517

At A Glance: Agency Long-Range Strategic Goals

The statutory mission of the University of Minnesota is to "offer undergraduate, graduate, and professional instruction through the doctoral degree, and be the primary state-supported academic agency for research and extension services" (M.S. 135A.052, subd. 1).

The University of Minnesota, founded in the belief that all people are enriched by understanding, is dedicated to the creation of knowledge and the advancement of learning and artistic activity; to the sharing of this knowledge through education for a diverse community; and to the application of this knowledge to benefit the people of the state, the nation, and the world. The University's mission is three-fold:

Research and Discovery. Generate and preserve knowledge, understanding, and creativity by conducting high quality research, scholarship, and artistic activity that benefits students, scholars, and communities across the state, the nation, and the world.

Teaching and Learning. Share that knowledge, understanding, and creativity by providing a broad range of educational programs, in a strong and diverse community of learners and teachers, and prepare a graduate, professional, and undergraduate student body for active roles in a multiracial and multicultural world.

Outreach and Public Service. Extend, apply, and exchange knowledge between the University and society by applying scholarly expertise to community problems, by assisting organizations and individuals to respond to their changing environments, and by making the knowledge and resources created and preserved here accessible to the citizens of the state, the nation, and the world.

Trends, Policies and Other Issues Affecting the Demand for Services, Facilities, or Capital Programs

We are in a transformative era for higher education. For more than 150 years, the University of Minnesota has met the changing needs of the state's

citizens, businesses, farmers, and public institutions. Now, the state, as well as the nation, is facing demographic, economic, and social changes that compel the University of Minnesota to rise up to meet these new challenges. The University must strengthen its role as the state's only major research university, as its land grant institution, and as its magnet for students, faculty, professionals, entrepreneurs, and civic and artistic leaders.

Building on a proud 160-year history of commitment to the highest quality education, research, and service to the people of Minnesota, the 'U' has embarked on a journey to become one of the top three public research institutions in the world. The entire University community is poised to take its education, research, and public outreach mission to even higher levels of service to the people of Minnesota.

In the context of these challenges, the University must make the most of its resources. Minnesota's long-term interests are best served by an institution that can meet the challenges in this new era—an institution capable of offering the highest quality academic programs, supporting ground-breaking research, and delivering innovative, responsive service to Minnesota's communities.

As a large, multi-faceted research institution, a variety of factors affect the University's demand for facilities and capital programs. Three issues that are relevant to the 2012 capital request are outlined below:

- *Aging and Obsolete Facilities* – Approximately 65 percent of the University's major campus buildings are more than 30 years old (more than 25 percent are over 70 years old). The Twin Cities campus alone has nearly 100 buildings that are more than 50 years old. Buildings become less functional and require more maintenance as they age. New security requirements imposed in the wake of September 11 are just one more example of how old buildings must be adapted to meet current conditions.
- *Promising New Discoveries* – The University must continually renew its existing programs and make targeted investments in emerging fields to meet state needs and remain competitive. High quality programs, for example, allow the University to compete at the national level for federal science and health initiatives funds (e.g. National Institutes of Health).

- *Increased Student Expectations* – The University in recent years has placed a considerable emphasis on upgrading its research facilities and infrastructure. A similar effort is now required to improve the conditions and capabilities of its educational facilities. The University's most heavily used instructional facilities are in some of the oldest buildings and often lack the necessary technological and programmatic components required to effectively teach at the university level.

Provide a Self-Assessment of the Condition, Suitability, and Functionality of Present Facilities, Capital Projects, or Assets

The University of Minnesota takes its facilities stewardship responsibilities seriously. While there is an ongoing effort on each campus to keep buildings clean and well maintained, as buildings age and programs evolve, it becomes necessary to invest additional resources to keep a building functional and operating. Recognizing the importance of taking care of what we have, the University has surveyed and documented the condition of all the major systems within University buildings system-wide. This *Facilities Condition Assessment* program has collected information on heating, ventilation, and air conditioning (HVAC) systems, elevators, plumbing, building interiors, electrical systems, code issues, and other building conditions. This assessment expands on a similar effort done in recent years on building exteriors - roofs, walls, and windows. The Facilities Condition Assessment will identify needed building improvements and help the University plan and prioritize projects. The projects outlined in the University's Higher Education Asset Preservation and Replacement (HEAPR) request were selected based on information from this assessment.

The capacity and condition of campus infrastructure remains a critical concern. The infrastructure of a University campus is a critical component of the physical and operational systems necessary to support the much more visible teaching, research, and outreach mission. Individual buildings depend upon campus infrastructure to deliver heating, cooling, communications, electricity, and water. In portions of the campus the existing buildings have stretched the service capacity of the infrastructure to the maximum limits; while in other areas, buildings are being fed by aging, obsolete services from near the turn of the century. In these areas, any new construction, significant remodeling or expansion of existing services will require a corresponding increase in infrastructure capacity.

Agency Process Used to Arrive at These Capital Requests

The University of Minnesota's annual capital budget and Six-Year Capital Improvements Program is a method of providing for disciplined financial management. This decision making process supports the University's desire to focus on its mission, aligns capital projects with the academic goals of the institution and follows the Regents' directive to make the most efficient use of limited resources.

The capital budgeting process consists of the following steps:

- *Need Identification/Preliminary Ranking* - Academic units, Facilities Management, Campus Planning, Environmental Health and Safety, and other University groups identify capital needs. Capital needs are typically the outcome of either an academic priority (i.e. expansion of the Pharmacy program) or deficient facility condition (i.e. inadequate ventilation or electrical capacity). Capital and programmatic needs are reviewed as part of the compact process. The Provost, Chancellors, and Vice Presidents rank these needs.
- *Project Definition and Prioritization* - A predesign study, including a needs analysis, a preliminary facility program, cost estimates, and an implementation schedule, is prepared for each project and is evaluated against academic priorities, the campus master plan, and code requirements.
- *Annual Budget Approval/Program Acceptance* - The senior administrative officers forward a recommendation to the Regents. The Regents approve the annual capital budget, including capital request items, and accept the five-year Capital Improvement Program.

The University's capital budget calendar is synchronized with the biennial budgeting process in the state legislature.

Major Capital Projects Authorized

| 2011 Appropriation | (\$ in Thousands) |
|-------------------------------|------------------------------|
| HEAPR | \$25,000 |
| CCLRT Mitigation | \$12,500 |
| Physics and Nanotechnology | \$51,333 |
| 2010 Appropriation | (\$ in Thousands) |
| HEAPR | \$56,000 |
| Folwell Hall | \$23,000 |
| Lab Renovations | \$ 6,700 |
| Physics and Nano Design | \$ 4,000 |

HEAPR

2012 STATE APPROPRIATION REQUEST: \$90,000,000

AGENCY PROJECT PRIORITY: 1 of 5

PROJECT LOCATION:

Project At A Glance

- Health and safety funds are used by the University of Minnesota to ensure a safe, accessible environment for students, employees, and visitors in its more than 800 buildings.
- Building systems funds extend the useful life of existing facilities and preserve their structural integrity by replacing building components like roofs, elevators, chillers, windows, and mechanical systems.
- Infrastructure funds reduce the risk to people and research caused by aging and unreliable systems.
- Strategic investments improve energy efficiency and reduce long term operating costs.

Project Description

The \$90 million in Higher Education Asset Preservation and Replacement (HEAPR) funds will be used system wide to maximize and extend the life of the University's existing physical plant. Individual projects will fall into one of four broad categories:

- Health, Safety, and Accessibility
- Building Systems
- Utility Infrastructure
- Energy Efficiency

Project Rationale

The University's mission will be compromised without continued, sustained investment in buildings and infrastructure. The University's capital budget principles emphasize investment in existing facilities and infrastructure to

extend useful life and to ensure the health, safety, and well-being of building occupants.

All projects included in this request are consistent with the statutory definition of HEAPR (M.S. Sec. 135A.046) which includes "code compliance, including health and safety, Americans with Disabilities Act requirements, hazardous material abatement, access improvement, or air quality improvement; or building or infrastructure repairs necessary to preserve the interior and exterior of existing buildings; or renewal to support the existing programmatic mission of the campuses." Individual projects have been identified and prioritized through the University's Facility Condition Assessment (FCA) process. The FCA is a comprehensive evaluation of the condition of the University of Minnesota's campus facilities and infrastructure portfolio. FCA data is used to triage existing buildings into those that need long-term investments, those that need short-term investments and those where no investment is required, in alignment with academic priorities.

Impact on Agency Operating Budgets (Facilities Notes)

HEAPR improvements to existing facilities will have negligible impact on the annual operating budget. No additional maintenance or program staff will result directly from these improvements.

The estimated annual repair and replacement cost for all HEAPR projects is \$3.0 million. This amount is equivalent to the annual depreciation of the building components such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

The University received \$35 million in 2008, \$25 million in 2009, \$56 million in 2010 and \$25 million in 2011. The University includes HEAPR in each biennial capital request.

Project Contact Person

Richard Pfutzenreuter, CFO and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
Email: pfutz001@umn.edu

Governor's Recommendations

The Governor recommends general obligation bonding of \$20 million for this request. Also included are budget planning estimates of \$20 million in 2014 and 2016.

| | |
|--------------------------------|--------------------------|
| University of Minnesota | Project Detail |
| HEAPR | (\$ in Thousands) |

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2012-13 | FY 2014-15 | FY 2016-17 | TOTAL |
|--|--------------------|-------------------|-------------------|-------------------|----------------|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 0 | 0 | 0 | 0 |
| 3. Design Fees | 6,200 | 7,200 | 7,200 | 7,200 | 27,800 |
| 4. Project Management | 4,000 | 4,500 | 4,500 | 4,500 | 17,500 |
| 5. Construction Costs | 70,800 | 72,649 | 78,300 | 78,300 | 300,049 |
| 6. One Percent for Art | 0 | 0 | 0 | 0 | 0 |
| 7. Relocation Expenses | 0 | 0 | 0 | 0 | 0 |
| 8. Occupancy | 0 | 0 | 0 | 0 | 0 |
| 9. Inflation | 0 | 5,651 | 0 | 0 | 5,651 |
| TOTAL | 81,000 | 90,000 | 90,000 | 90,000 | 351,000 |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2012-13 | FY 2014-15 | FY 2016-17 | TOTAL |
|--------------------------------|--------------------|-------------------|-------------------|-------------------|----------------|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 81,000 | 90,000 | 90,000 | 90,000 | 351,000 |
| State Funds Subtotal | 81,000 | 90,000 | 90,000 | 90,000 | 351,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 81,000 | 90,000 | 90,000 | 90,000 | 351,000 |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|--|---|-------------------|-------------------|--------------|
| | FY 2012-13 | FY 2014-15 | FY 2016-17 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 0 | 0 | 0 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 0 | 0 | 0 |
| Building Repair and Replacement Expenses | 0 | 900 | 3,600 | 4,500 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 900 | 3,600 | 4,500 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 900 | 3,600 | 4,500 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---------------|-----------------------------|
| General Fund | 90,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS | |
|---|---|
| Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
| No | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| No | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| No | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2017 |

Combined Heat and Power Plant

2012 STATE APPROPRIATION REQUEST: \$54,000,000

AGENCY PROJECT PRIORITY: 2 of 5

PROJECT LOCATION:

Project At A Glance

- The University of Minnesota's Twin Cities Campus encompasses approximately 24 million gross square feet throughout 250 buildings. The University provides heating, cooling and electricity to maintain the health, safety and comfort of approximately 70,000 students, faculty and staff.
- Due to both the growth of new University buildings requiring steam service and aging boiler equipment on the Minneapolis campus, a shortage of firm boiler capacity has been forecast to become a significant operating obstacle by 2014.
- Facilities Management and the University's Office of Risk Management have identified the current lack of heating plant redundancy and distribution vulnerabilities as a significant risk to the campus. The University currently does not have a back-up solution to provide steam from another location.

Project Description

This request is for funds to renovate the Old Main Steam Plant facility, which is currently decommissioned, to be a multi-utility plant serving the Minneapolis campus. This project will stabilize and update the building infrastructure and install two - 7KW natural gas fired combustion turbines functioning as a Combined Heat and Power system, as well as to construct the necessary systems to support the future installation of both an additional 250,000 lb. natural gas boiler and a district chilled water plant.

Project Rationale

The University's Facilities Management department projects a shortage in firm boiler capacity relative to peak steam demand for the East and West Banks beginning in 2014. The group also expects that one of the boilers at the Southeast Steam Plant will need to be retired sometime during or near 2015, greatly magnifying supply and demand issues. In short, the ability to provide reliable and sufficient steam supply will be greatly impaired in the near future, putting University facilities, teaching and research activities at substantial risk.

This shortfall was anticipated in the Utility Master Plan developed in 2009 and various strategies for meeting the shortage were considered through that planning process. The renovation of the old Main Steam Plant and the installation of a new natural gas-fired combined heat and power plant were subsequently identified as the preferred solution for the following reasons:

- The Project mitigates the risks associated with having a single source of steam for the Minneapolis campus. This issue has been identified as one of the campus's top two risks by property insurers.
- The Project can meet the peak steam capacity needs at a significantly lower cost than a steam plant in a more remote campus location.
- The Old Main building is large enough to serve as a utility facility for steam, electricity and the next District chilling plant, without building any additional facilities.
- The two new combustion turbines are capable of meeting current and medium term projections for peak steam demand, even after decommissioning the University's oldest boiler in the SE Plant.
- Using the 'waste' heat from generating electricity makes the University's systems much more efficient and sustainable and will reduce its carbon footprint by 62,000 metric tons of CO₂.

Impact on Agency Operating Budgets (Facilities Notes)

The University anticipates this project will have a positive impact on the University's operating budget. The proposed improvements will stabilize utility costs and allow the University to avoid peak energy charges by Xcel Energy.

Combined Heat and Power Plant**Previous Appropriations for this Project**

None.

Project Contact Person

Richard Pfitzenreuter, CFO and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
Email: pfutz001@umn.edu

Governor's Recommendations

The Governor recommends general obligation bonding of \$54 million for this request.

| | |
|--------------------------------------|--------------------------|
| University of Minnesota | Project Detail |
| Combined Heat and Power Plant | (\$ in Thousands) |

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2012-13 | FY 2014-15 | FY 2016-17 | TOTAL |
|--|--------------------|-------------------|-------------------|-------------------|---------------|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 450 | 0 | 0 | 450 |
| 3. Design Fees | 0 | 7,274 | 0 | 0 | 7,274 |
| 4. Project Management | 0 | 964 | 0 | 0 | 964 |
| 5. Construction Costs | 0 | 63,995 | 0 | 0 | 63,995 |
| 6. One Percent for Art | 0 | 100 | 0 | 0 | 100 |
| 7. Relocation Expenses | 0 | 50 | 0 | 0 | 50 |
| 8. Occupancy | 0 | 475 | 0 | 0 | 475 |
| 9. Inflation | 0 | 7,692 | 0 | 0 | 7,692 |
| TOTAL | 0 | 81,000 | 0 | 0 | 81,000 |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2012-13 | FY 2014-15 | FY 2016-17 | TOTAL |
|--------------------------------|--------------------|-------------------|-------------------|-------------------|---------------|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 54,000 | 0 | 0 | 54,000 |
| State Funds Subtotal | 0 | 54,000 | 0 | 0 | 54,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 27,000 | 0 | 0 | 27,000 |
| TOTAL | 0 | 81,000 | 0 | 0 | 81,000 |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|--|---|-------------------|-------------------|--------------|
| | FY 2012-13 | FY 2014-15 | FY 2016-17 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 181 | 242 | 423 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 42 | 62 | 104 |
| Building Repair and Replacement Expenses | 0 | 2,430 | 2,430 | 4,860 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 2,653 | 2,734 | 5,387 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 2,653 | 2,734 | 5,387 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---------------|-----------------------------|
| General Fund | 54,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS | |
|---|---|
| Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| No | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2017 |

Itasca Facilities Improvements

2012 STATE APPROPRIATION REQUEST: \$4,060,000

AGENCY PROJECT PRIORITY: 3 of 5

PROJECT LOCATION:

Project At A Glance

- Located within the boundaries of Itasca State Park at the headwaters of the Mississippi, the Itasca Biological Station offers unique programs to undergraduate and graduate students.
- The new facility will be a year-round facility and multi-purpose building to support research, education, and outreach functions of the station.
- Current infrastructure inhibits the ability to conduct research and the facilities are inadequate to retain all researchers currently working at the field station.
- As of 2011, 4,800 College of Biological Sciences (CBS) freshmen have begun their academic careers at the field station in the "Nature of Life," program, the only summer immersion program of its kind in the U.S.

Project Description

This request is for funds to construct a new technology-rich biological lab/classroom facility to replace obsolete laboratories that can no longer support current research and teaching activities and to renovate the existing classroom in the historic Lakeside Lab. The new campus center will be a 10,800 gross square foot year-round facility and a multi-purpose building to support the research and outreach functions of the Itasca Biological Station.

The project will also remove a number of obsolete single-function buildings which will save energy and operational costs.

To reflect the values of the Biological Station, the design of the facilities will incorporate strategies to minimize energy usage. The project moves the station toward its goal of energy self-sufficiency as its site orientation will

allow for the use of passive solar energy and earth or sod roofing to minimize northern exposure.

Project Rationale

The Itasca Biological Station is dedicated to studying ecosystems, appreciating their value, and preserving them for future generations. Located in Itasca State Park, the University of Minnesota has conducted instruction, research, and outreach activities at the Itasca Station since 1909. Three major North American biomes come together within the park, making the field station an exceptional place to study biology—from organisms to ecosystems—that no textbook or lab can match.

The field station's 60 rustic structures, constructed just after World War II, have outlived their useful lives and the laboratories are obsolete. The replacement and renewal of the existing facilities will make it possible to continue offering quality biology education, expand environmental research, and increase University and outside use.

The Itasca Biological Station is a unique setting within Itasca State Park that serves as a living laboratory for 150 students/faculty daily in the summer (75 in winter). It provides innovative research and education programs in an experimental hands-on environment for undergraduate and graduate students.

Since 2003, College of Biological Sciences (CBS) freshmen have begun their academic careers at the field station in the "Nature of Life," the only summer immersion program of its kind in the U.S. The program introduces undergraduates to research and creates a sense of community among students in the entering class. As of 2011, 4,800 students have attended the program.

The field station is one of 125 award sites, the only one in Minnesota, for the NSF-funded Integrative Graduate Education and Research Traineeship (IGERT), developed to meet the challenges of educating U.S. Ph.D. scientists, engineers, and educators with interdisciplinary backgrounds.

Itasca Facilities Improvements

Impact on Agency Operating Budgets (Facilities Notes)

Since the project will remove obsolete and energy inefficient buildings and has a goal of being close to using no net energy, it is anticipated that operating costs will remain the same or be lower.

The estimated annual repair and replacement cost for this project is \$228,000. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None.

Project Contact Person

Richard Pfutzenreuter, CFO and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
Email: pfutz001@umn.edu

Governor's Recommendations

The Governor recommends general obligation bonding of \$4.06 million for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2012-13 | FY 2014-15 | FY 2016-17 | TOTAL |
|--|--------------------|-------------------|-------------------|-------------------|--------------|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 64 | 0 | 0 | 64 |
| 3. Design Fees | 0 | 457 | 0 | 0 | 457 |
| 4. Project Management | 0 | 33 | 0 | 0 | 33 |
| 5. Construction Costs | 0 | 4,810 | 0 | 0 | 4,810 |
| 6. One Percent for Art | 0 | 45 | 0 | 0 | 45 |
| 7. Relocation Expenses | 0 | 65 | 0 | 0 | 65 |
| 8. Occupancy | 0 | 180 | 0 | 0 | 180 |
| 9. Inflation | 0 | 436 | 0 | 0 | 436 |
| TOTAL | 0 | 6,090 | 0 | 0 | 6,090 |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2012-13 | FY 2014-15 | FY 2016-17 | TOTAL |
|--------------------------------|--------------------|-------------------|-------------------|-------------------|--------------|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 4,060 | 0 | 0 | 4,060 |
| State Funds Subtotal | 0 | 4,060 | 0 | 0 | 4,060 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 2,030 | 0 | 0 | 2,030 |
| TOTAL | 0 | 6,090 | 0 | 0 | 6,090 |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|--|---|-------------------|-------------------|--------------|
| | FY 2012-13 | FY 2014-15 | FY 2016-17 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 23 | 92 | 115 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 16 | 64 | 80 |
| Building Repair and Replacement Expenses | 0 | 46 | 182 | 228 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 85 | 338 | 423 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 85 | 338 | 423 |
| Change in F.T.E. Personnel | 0.0 | 0.1 | 0.3 | 0.4 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---------------|-----------------------------|
| General Fund | 4,060 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS | |
|---|---|
| Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2017 |

Eddy Hall and Space Optimization

2012 STATE APPROPRIATION REQUEST: \$14,000,000

AGENCY PROJECT PRIORITY: 4 of 5

PROJECT LOCATION:

Project At A Glance

- Eddy Hall, the University's oldest building (1881), will be rehabilitated and stabilized for use by Undergraduate Admissions.
- Units dedicated to student service will be consolidated into two existing buildings, allowing the decommissioning of Williamson and Fraser Halls.
- Innovative space management strategies piloted through this project will be expandable University-wide, allowing for future space consolidation and decommissioning of other obsolete and expensive office buildings.

Project Description

This request is for funds to rehabilitate Eddy Hall for the undergraduate, international and transfer student admissions program, as well as to decommission two major East Bank facilities, Williamson Hall and Fraser Hall. The overall project will reduce the University's space inventory, facility operating costs, and 10-year Facilities Condition Assessment (FCA) deferred renewal estimate.

Project Rationale

The objective of this project is to increase the utilization of Eddy Hall, the Donhowe Building, and portions of the West Bank Office Building through innovative and creative alternative workplace strategies, allowing Williamson Hall and Fraser Hall to be vacated and decommissioned.

Built in 1881, Eddy Hall is the oldest building on the University East Bank Campus and is listed on the National Register of Historic Places as a contributing element of the University's Old Campus Historic District. However, the building has significant building deficiencies and is in need of

major infrastructure and structural improvements, including exterior tuckpointing. Furthermore, existing floor plates are inefficient and are not adequate for contemporary office use.

Located directly across Pleasant Street from the Office of Admissions' Undergraduate Welcome Center in Jones Hall, Eddy Hall will complement the Jones Hall operations and will incorporate several Admissions functions now located in Williamson Hall (the International and Transfer Students Welcome Center, meeting space, reception room and a large document processing room, among other back office operations). At 31,000 gross square feet, Eddy Hall is of sufficient size to accommodate those functions. It is anticipated that a full interior rehabilitation of Eddy Hall will be required to accommodate these uses, including reconfiguration of floor plates.

Concurrent with the Eddy Hall renovation, the University intends to consolidate Academic Support Resources units currently located in Williamson Hall and Fraser Hall into the Donhowe Building, allowing both Williamson Hall and Fraser Hall to be decommissioned. Non-academic functions currently occupying the Donhowe Building will be moved to the more remote West Bank Office Building. To accommodate these moves, space in both buildings must be reprogrammed and reconfigured to increase utilization and flexibility, to accommodate flexible work models, and to optimize the use of mobile workforce technology.

Impact on Agency Operating Budgets (Facilities Notes)

Rehabilitation of Eddy Hall should have a neutral impact on operating expenses as it is anticipated that operating costs will remain similar to current operating costs. Decommissioning Williamson and Fraser Halls, however, should result in annual operational cost savings of nearly \$1.1 million.

Previous Appropriations for this Project

None.

Eddy Hall and Space Optimization**Project Contact Person**

Richard Pfutzenreuter, CFO and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
Email: pfutz001@umn.edu

Governor's Recommendations

The Governor does not recommend capital funding for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2012-13 | FY 2014-15 | FY 2016-17 | TOTAL |
|--|--------------------|-------------------|-------------------|-------------------|---------------|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 105 | 0 | 0 | 105 |
| 3. Design Fees | 0 | 1,575 | 0 | 0 | 1,575 |
| 4. Project Management | 0 | 4,650 | 0 | 0 | 4,650 |
| 5. Construction Costs | 0 | 11,647 | 0 | 0 | 11,647 |
| 6. One Percent for Art | 0 | 100 | 0 | 0 | 100 |
| 7. Relocation Expenses | 0 | 250 | 0 | 0 | 250 |
| 8. Occupancy | 0 | 1,100 | 0 | 0 | 1,100 |
| 9. Inflation | 0 | 1,573 | 0 | 0 | 1,573 |
| TOTAL | 0 | 21,000 | 0 | 0 | 21,000 |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2012-13 | FY 2014-15 | FY 2016-17 | TOTAL |
|--------------------------------|--------------------|-------------------|-------------------|-------------------|---------------|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 14,000 | 0 | 0 | 14,000 |
| State Funds Subtotal | 0 | 14,000 | 0 | 0 | 14,000 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 7,000 | 0 | 0 | 7,000 |
| TOTAL | 0 | 21,000 | 0 | 0 | 21,000 |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|--|---|-------------------|-------------------|--------------|
| | FY 2012-13 | FY 2014-15 | FY 2016-17 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 30 | 90 | 120 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 65 | 100 | 165 |
| Building Repair and Replacement Expenses | 0 | 630 | 630 | 1,260 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 725 | 820 | 1,545 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 725 | 820 | 1,545 |
| Change in F.T.E. Personnel | 0.0 | 0.0 | 0.0 | 0.0 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|---|---------------|-----------------------------|
| General Fund | 14,000 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS | |
|---|---|
| Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2017 |

American Indian Learning Resource Center

2012 STATE APPROPRIATION REQUEST: \$7,350,000

AGENCY PROJECT PRIORITY: 5 of 5

PROJECT LOCATION:

Project At A Glance

- The American Indian Learning Resource Center (AILRC) exists to enrich the cultural, academic, supportive, and social environment of the University of Minnesota, Duluth (UMD) campus.
- The AILRC mission is to increase the recruitment and retention of American Indian and Alaskan Native students, while promoting a more culturally diverse campus environment.
- The new facility will help this important program improve its services and serve more American Indian students.

Project Description

This request is for funds to construct an 18,400 gross square foot American Indian Learning Resource Center at the University of Minnesota, Duluth. Seventeen programs, scattered throughout campus, will be co-located in this new facility. This new center will house both academic and student service programs, classrooms, a computer lab, conference rooms, a Great Room for large gatherings, and support offices for both faculty and students. The project will create a gateway onto the Duluth campus for American Indian students and the community.

Project Rationale

American Indians comprise the largest minority population on the UMD campus. UMD has developed a strong support system which results in graduation rates significantly higher than national norms. Its outreach activities include a teacher education program at Fond du Lac Community College and an early childhood education program at Red Cliff Indian Reservation in Wisconsin. This facility would provide a strong sense of

identity for American Indian students on campus. Other institutions which have created such a space have found it to be extremely beneficial in meeting academic achievement goals.

The American Indian Learning Resource Center exists to enrich the cultural, academic, supportive, and social environment of the UMD campus with a mission to increase the recruitment and retention of American Indian and Alaskan Native students, while promoting a more culturally diverse campus environment. Currently, facilities and services serving UMD's American Indian population is spread throughout the UMD campus in a variety of buildings.

The new American Indian Learning Resource Center will consolidate programs serving the American Indian population into a conveniently located facility and will provide services and facilities for both academic and student service programs. These facilities will include new classrooms, computer labs, conference rooms, a great room, and support offices for both faculty and student service programs. By consolidating these functions in one location, the American Indian student population can be better served by the University of Minnesota.

Impact on Agency Operating Budgets (Facilities Notes)

It is estimated that the American Indian Learning Resource Center will increase the University of Minnesota-Duluth's operating budget by \$180,000 per year.

The estimated annual repair and replacement cost for this project is \$418,950. This amount is equivalent to the annual depreciation of building components, such as windows, roofs, walls, interiors, and mechanical, electrical, and plumbing systems.

Previous Appropriations for this Project

None

Project Contact Person

Richard Pfutzenreuter, CFO and Treasurer
336a Morrill Hall
100 Church Street Southeast
Minneapolis, Minnesota 55455
Phone: (612) 625-4517
Fax: (612) 626-2278
Email: pfutz001@umn.edu

Governor's Recommendations

The Governor does not recommend capital funding for this request.

| TOTAL PROJECT COSTS All Years and Funding Sources | Prior Years | FY 2012-13 | FY 2014-15 | FY 2016-17 | TOTAL |
|--|-------------|---------------|------------|------------|---------------|
| 1. Property Acquisition | 0 | 0 | 0 | 0 | 0 |
| 2. Predesign Fees | 0 | 55 | 0 | 0 | 55 |
| 3. Design Fees | 0 | 980 | 0 | 0 | 980 |
| 4. Project Management | 0 | 184 | 0 | 0 | 184 |
| 5. Construction Costs | 0 | 8,643 | 0 | 0 | 8,643 |
| 6. One Percent for Art | 0 | 80 | 0 | 0 | 80 |
| 7. Relocation Expenses | 0 | 30 | 0 | 0 | 30 |
| 8. Occupancy | 0 | 569 | 0 | 0 | 569 |
| 9. Inflation | 0 | 484 | 0 | 0 | 484 |
| TOTAL | 0 | 11,025 | 0 | 0 | 11,025 |

| CAPITAL FUNDING SOURCES | Prior Years | FY 2012-13 | FY 2014-15 | FY 2016-17 | TOTAL |
|-------------------------------|-------------|---------------|------------|------------|---------------|
| State Funds : | | | | | |
| G.O Bonds/State Bldgs | 0 | 7,350 | 0 | 0 | 7,350 |
| State Funds Subtotal | 0 | 7,350 | 0 | 0 | 7,350 |
| Agency Operating Budget Funds | 0 | 0 | 0 | 0 | 0 |
| Federal Funds | 0 | 0 | 0 | 0 | 0 |
| Local Government Funds | 0 | 0 | 0 | 0 | 0 |
| Private Funds | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 3,675 | 0 | 0 | 3,675 |
| TOTAL | 0 | 11,025 | 0 | 0 | 11,025 |

| CHANGES IN STATE OPERATING COSTS | Changes in State Operating Costs (Without Inflation) | | | |
|--|--|--------------|--------------|--------------|
| | FY 2012-13 | FY 2014-15 | FY 2016-17 | TOTAL |
| Compensation -- Program and Building Operation | 0 | 464 | 464 | 928 |
| Other Program Related Expenses | 0 | 0 | 0 | 0 |
| Building Operating Expenses | 0 | 180 | 180 | 360 |
| Building Repair and Replacement Expenses | 0 | 419 | 419 | 838 |
| State-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Nonstate-Owned Lease Expenses | 0 | 0 | 0 | 0 |
| Expenditure Subtotal | 0 | 1,063 | 1,063 | 2,126 |
| Revenue Offsets | 0 | 0 | 0 | 0 |
| TOTAL | 0 | 1,063 | 1,063 | 2,126 |
| Change in F.T.E. Personnel | 0.0 | 2.4 | 0.0 | 2.4 |

| SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS (for bond-financed projects) | Amount | Percent of Total |
|--|--------|---------------------|
| General Fund | 7,350 | 100.0% |
| User Financing | 0 | 0.0% |

| STATUTORY AND OTHER REQUIREMENTS | |
|---|---|
| Project applicants should be aware that the following requirements will apply to their projects after adoption of the bonding bill. | |
| Yes | MS 16B.335 (1a): Construction/Major Remodeling Review (by Legislature) |
| Yes | MS 16B.335 (3): Predesign Review Required (by Administration Dept) |
| Yes | MS 16B.335 and MS 16B.325 (4): Energy Conservation Requirements |
| Yes | MS 16B.335 (5): Information Technology Review (by Office of Technology) |
| Yes | MS 16A.695: Public Ownership Required |
| No | MS 16A.695 (2): Use Agreement Required |
| No | MS 16A.695 (4): Program Funding Review Required (by granting agency) |
| Yes | Matching Funds Required (as per agency request) |
| Yes | MS 16A.642: Project Cancellation in 2017 |